

Child Day Care Assistance Credit

INCOME AND PRIVILEGE TAXPAYERS-Effective for all taxable years beginning after Dec. 31, 1991.

Beginning in tax year 2013, this credit shall only be available to privilege taxpayers and corporations that are subject to the Kansas corporate income tax, i.e. C corporations. This credit shall not be available to individuals, partnerships, S corporations, limited liability companies, and other pass-through entities.

The child day care assistance credit is designed to encourage businesses to purchase or provide child care services for their employees' children or to provide services in assisting the employees in locating child care for their children. A business which provides this service is entitled to a credit against their income tax or privilege tax liability.

Qualifications

The business must be an income or privilege taxpayer AND EITHER;

- provide a facility and the necessary equipment for child day care services for use primarily by its employees' children. (This may also be done in conjunction with other taxpayers.); OR,
- pay for or provide child day care services for its employees' children; OR,
- assist in locating child care services for its employees' children.

The child care facility providing the services of caring for the employees' children must be licensed or registered by the Kansas Department of Health and Environment.

Credit Amount

For taxpayers who provide the facility and equipment:

During the **First year (Initial Year)**, if the business provides the facility and the necessary equipment for child day care services and the facility is used primarily by the dependent children of its employees, the business receives a credit of 50 percent of the net amount spent.

In **subsequent years**, the business receives a credit of 30 percent of the net amount spent, again, as long as the facility is used primarily by the dependent children of its employees.

Limitation of Credit

For taxpayers who provide the facility and equipment:

In the **initial year** the credit cannot exceed \$45,000. In **subsequent taxable years** the credit cannot exceed \$30,000.

Credit Amount

For taxpayers who pay for child day care services or who assist in locating child day care services:

The credit is 30 percent of the net amount spent for locating or providing child day care services for its employees' children.

Limitation of Credit

For taxpayers who pay for child day care services or who assist in locating child day care services:

The credit cannot exceed \$30,000 for any business during any taxable year.

Child Day Care Assistance RefundD

Available for all types of child care investment:

If the amount of child day care assistance credit exceeds the tax liability for a taxable year the excess is refunded to the business.

Procedures to Claim the Credit

You may download [Schedule K-56](#) to claim the child day care assistance credit. This schedule must be completed and submitted with the income or privilege tax return. You may also call the Department of Revenue voice mail system at 785-296-4937 to request Schedule K-56. You will be asked to give your name, address, phone number and form(s) you desire. Please allow two weeks for delivery of your forms.

Visit KDOR's website at [Child Day Care Assistance Credit](#) for updates and additional information.